LEBANON ME1

Chapter 6

LEBANON

Developments to the End of the Second World War

433 439 471 [167] [177] 439 [172] 733 167 434

Lebanon's high economic level, compared with other Middle Eastern countries, is largely attributable to certain factors which helped to improve economic and social conditions, 1/ from early modern times. A relatively greater degree of security in Lebanon attracted European merchants, who provided an expanding market for Lebanese raw silk; it also brought in missionaries and educators, who established modern schools. In the second half of the nineteenth century, large-scale emigration began. It is estimated that, between 1860 and 1900, some 120,000 persons emigrated from Lebanon and Syria - an average of 3,000 a year, of whom over half were from Lebanon. In 1900-14, the yearly average rose to 15,000. 2/ A large number of these emigrants returned, bringing back with them capital and skills. There was also a small capital inflow from Europe, which was invested in railways, ports and other public utilities, as well as in banks. By 1900, Beirut had become the main distributing centre for Lebanon, Syria, Palestine, northern Iraq and southern Anatolia. Another important economic item was the export of raw silk.

During the First World War, Lebanon, which had become a food importer, experienced a large-scale famine. In addition, its silk industry was disorganized, the mulberry trees being cut down for fuel, and its transit trade was disrupted. In the inter-war period, silk suffered further, from the competition of more efficient producers and of rayon, and gradually ceased to play an important part in the economy. A still harder blow was the decline in emigration, following restrictions imposed in most countries of immigration. After reaching a peak of 16,000 in 1925, emigration from Lebanon and Syria fell off rapidly to an annual average of 8,000 in the nineteen-thirties, of whom slightly over half came from Lebanon.

---

434 1/ Net national income in 1950 was estimated at 1,000 million Lebanese pounds (see table 43), giving a per capita figure of LL 830 per annum. Some confirmation of this figure is provided by a survey in North Lebanon which showed that in 1953 per capita income in a group of villages was LL 627. This figure does not include rent, since practically all families own their own houses (Salah H. Sawaya, Household Income and Expenditure in Al Kura, unpublished thesis, American University, Beirut, 1953)). Converted at the average free market rate (in 1950 one United States dollar equalled 3.47 Lebanese pounds), which considerably undervalues the purchasing power of the Lebanese pound, this gives a per capita income of $250, a figure well above that prevailing in the region. Some two thirds of the Lebanese population is literate, and over 40 per cent is urban, proportions which are well above the regional level.

2/ S.H. Steeman (editor), The Economic Organization of Syria (Beirut, 1956), page 16.